GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:1367
ANSWERED ON:03.03.2016
Fine on Rule's Violators
Birla Shri Om;Sahu Shri Chandu Lal

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) the details of the number of National Highways contracts terminated for violation of rules set by the Government during the last three years, Project-wise and State-wise;

(b) whether any fines were imposed on violators, if so, the details thereof;

(c) whether the Government has laid down any guidelines for exceeding of estimated expense on road projects;

(d) if so, the number of highway projects with cost overrun; and

(e) whether the Government has observed rigidity in lending by banks for infrastructure projects, if so, the incentives and steps taken to improve financing of road projects in India during the last two years?

Answer

THE MINISTER OF STATE IN THE
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI PON. RADHAKRISHNAN)
(a) and (b) The State-wise details of the number of National Highways contracts terminated as per the contract provisions during the last three years are annexed. If the contract is terminated due to reasons attributed to contractor then fines are imposed as per the contract provisions.

(c) and (d) Cost overrun is applicable only to EPC/item rate contracts. In such contracts, there is a provision for payment of escalation due to delay if it is not attributable to Contractor. In case the project is delayed due to reasons attributable to the Contractor, liquidated damages are to be imposed and no escalation is payable. Actual escalation due to delay or cost overrun is known only after completion of the project and final settlement of bills.

(e) Yes, Madam. Various steps have been taken which include streamlining of land acquisition, streamlining of environment clearances, exit for equity investors, premium re-schedulement, securitization of road sector loans, close coordination with other Ministries, revamping of dispute resolution mechanism, frequent reviews at Minister levels, etc. Other than this following steps have been taken :

â€¢ One time fund infusion to revive and physically complete languishing BOT projects;
â€¢ Permitting 100% equity divestment after two years of construction completion for all BOT projects;
â€¢ Harmonious substitution in the even of financial and concessionaire's default;
â€¢ NHAI has been authorized to extend the concession period for all current projects in BOT (Toll) mode, except for projects where tolling is permitted from the Appointed Date, which are languishing during the construction period due to causes NOT attributable to the concessionaire, subject to certain conditions. Further, NHAI has also been authorized to pay annuities to the concessionaire corresponding to the actual period of delay NOT attributable to the concessionaire upon successful completion of the project i.e on achieving COD.